

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OWEN ELECTRIC )  
COOPERATIVE, INC. FOR AN ADJUSTMENT ) CASE NO. 94-408  
TO ITS RETAIL ELECTRIC POWER TARIFFS )

O R D E R

IT IS ORDERED that Owen Electric Cooperative, Inc. ("Owen") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the information should be placed in a separate volume with each item numbered to correspond to the request included herein. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. The information is due no later than February 7, 1995.

1. Refer to Exhibit C of the application. Provide workpapers which show the derivation of the following amounts:

- a. \$355,140 increase in load center rates.
- b. \$100,039 reduction in Section C rates.
- c. \$2,545,538 reduction in Section E rates.

2. Refer to Exhibit D of the application, page 2 of 4. Using a "50 percent recovery rate" the increase in substation charges for customers on Section C rates is calculated to be \$21,420.

a. Is \$42,864 the amount of the actual increase in wholesale substation charges? This is the difference between \$68,520 (calculated in Item 5) and \$25,656 (calculated in Item 2).

b. If the increase in substation charges is \$42,864, should this amount be subtracted from the \$100,039 decrease in Section C energy charges to calculate a net Section C decrease of \$57,175?

3. Refer to Exhibit D of the application, pages 3 and 4.

a. On page 3 the decrease for Section E rates is calculated by subtracting the net decrease for Section C consumers of \$78,619 from the total decrease amount of \$2,290,437. Using this approach, if the decrease for Section C consumers were reduced by \$21,444, to \$57,175, would there not be a corresponding increase in the amount of the decrease for Section E rates?

b. Item 2 on page 4 shows the "Increase in substation charges attributable to Section E rates" in the amount of \$333,720, which is referenced to page 3 of Exhibit D, Item 2. This reference point does not show the derivation of the \$333,720 but shows the \$78,619 net decrease attributable to Section C consumers. Explain how the \$333,720 was derived.

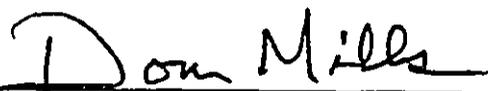
4. In the event Owen's wholesale power cost is ultimately reduced by an amount greater than the decrease that went into effect January 1, 1995, should the additional reduction be reflected in retail rates by using the same allocation methodology proposed by Owen? If no, explain fully.

Done at Frankfort, Kentucky, this 24th day of January, 1995.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director